

Dan Schwartz
State Treasurer



STATE OF NEVADA
OFFICE OF THE STATE TREASURER

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TREASURER SAYS FEDERAL INTEREST RATE HIKE WILL BENEFIT ENTIRE STATE

Carson City, NV – This morning, State Treasurer Dan Schwartz said the Federal interest rate hike will benefit Nevada's overall investment position. Last month, the State Treasurer's Office announced the Local Government Investment Pool (LGIP) had tripled returns since the new Treasurer took office in January 2015. Both the LGIP and the overall General Portfolio will see even larger gains in their investments with a federal rate increase.

"One of my top priorities has been to improve the return on Nevada's Investments," says Treasurer Schwartz. "We expect significant improvement to show in early 2016, but the Federal interest rate hike will produce additional gains for Nevada ahead of time. We will have many happy local governments in the State who will benefit from the higher yields. The General Fund will also show gains in overall return."

The LGIP was yielding 0.084 % (8.4 basis points) last January. Returns jumped to 30 bps or 0.30% on \$544 million in capital at the end of November. Over 80 municipalities have invested in the LGIP. The short-term operating portion of the General Portfolio was yielding 0.007% or 7 bps in January 2015. Returns have jumped to 18 bps or 0.18% on \$1.301 billion in capital at the end of November 2015. A 0.25% federal rate hike should increase earnings to approximately 55 basis points (0.55%) by January 2016 or a seven fold increase from just one short year ago. Increased earnings in both of these portfolios will benefit the entire State.

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